

॥ गोविंद ज्ञानेश्वर महाराज  
पवित्र गुरु विद्वान् ॥

DADASAHEB JOTIRAM

GODSE

ARTS, COMMERCE

Seen.

SCIENCE

COLLEGE VADUJ.....

NAME :- SHINDE JYOTI

DIPAK

ROLL NO :- 884

STD :- T.Y.B.COM

SUBJECT :- ACCOUNT II

SUBJECT TEACHER :-

SHETE J.K

YEAR :- 2022 - 23.

PROJECT NAME :-

ELEMENTS OF  
COST

AND

COST

SHEET

DATE \_\_\_\_\_ (1)

# INTRODUCTION

Cost sheet is a statement prepared at given intervals of time which provides information regarding elements of cost incurred in production. It discloses the total cost as well as the cost per unit of the product manufactured during the given period. If it is desired to compare the costing result of the particular period with any of the preceding periods comparative columns can be provided in the cost sheet.

The cost sheet is prepared to ascertain cost of product / Job / operation or to give quotation on or to determine tenders or price for supply of goods providing service.

Cost sheet is a statement is a statement presenting the items entering into cost of product and services. analysed cost sheets elements function and even by their entering in to cost of product and services analysed by their element function and even by their behaviour.

## DEFINATION :-

All costs incurred or expected to be incurred during a given period are presented in the form of a statement popularly called cost sheet or statement of cost or production statement.

### Objectives of cost sheet.

- ① It reveals the total cost and cost per unit of goods produced.
- ② It discovers the break-up of total cost in different elements of cost.
- ③ It provides a comparative study of the cost of current period with that of the corresponding previous period.
- ④ It act as a guide to management in fixation of selling prices and quotation of tend.

Format of cost sheet.

particulars	Amt	Amt
opening stock of Raw material	-	
<u>Add</u> - purchase of Raw material	-	
Carriage	-	
Carriage Inward	-	
Freight	-	
octal	-	
<u>less</u> - closing stock of raw material		-
material consumed		-
<u>Add</u> - direct wages	-	
direct expenses	-	
prime cost		-
<u>factory / works overhead</u>		
indirect expenses wages	-	
indirect keep wages	-	

Time Keepers wages	-	
Shop Keepers wages	-	
Depreciation, Repairs	-	
Rehewals of machinery	-	
Factory Rent, Insurance	-	
Drawing office Salary	-	
<u>Add</u> - opening stock of work in progress		-
<u>less</u> - closing stock of work in progress		-
work Factory Cost		-
<u>office overhead / Administrative</u>		
office Rent insurance	-	
Salaries	-	
Dep on office building	-	
printing & stationery	-	
Counting house salary	-	
postage & telegram	-	
legal expenses	-	
Audit fees	-	
Bank charges	-	
Cost of production	-	

Add - opening stock of finished goods. -

less - closing stock of finished goods cost of good sold. -

Selling & Distribution overhead

Commission -

Discount -

Bad debts -

Carriage outward -

delivery van exp -

travelling exp -

dep. on delivery van -

Rent of ware house -

sample and other free gifts. -

Advertisement -

showroom Rent & taxes -

total cost of good sold -

Net profit -

Sales -



### List of items Excluded from Cost sheet.

- 1) Interest Received on bank charges deposit
- 2) Interest dividend rent received or Receivable
- 3) Discount commission transfer fees Received.
- 4) profit on sale of Fixed Asset investment.
- 5) Insurance on Damages Received.
- 6) loss on sale of Fixed asset investment.
- 7) Fines and penalties paid.
- 8) Interest paid on debenture, bank loans, deposit.
- 9) losses on machinery scrapped before expire date.
- 10) dividend paid on share.
- 11) income tax.
- 12) transfer to reserve / appropriation to

Sinking fund.

- 13) charitable donation.
- 14) other abnormal losses of material.
- 15) goodwill preliminary expenses - - - - written off.
- 16) dividend and debenture interest.
- 17) Discount on debenture.
- 18) under writing commission.

e.g. 1) prepare from the following information on a statement showing a) material consumed b) prime cost c) factory cost d) cost of production e) total cost f) Net profit.

particulars	Amt ₹
Stock of Raw material on 1/4/2018	24,000
Stock of Raw material on 31/3/2019	31,400
purchase of Raw material.	92,000
drawings office salaries	3,200
Counting house salaries.	6,000
Carriage Inward	2,300
Carriage Outward	2,100
Bad debts written off	2,000
Rent, Rates, taxes, Insurance : factory	4,200
office	1,500
productive wages.	60,500
depreciation written off : plant & machine	3,200
depreciation written off : office furniture	150
Gas & water : factory	800
office	300
Traveller's salaries & Commission	2,400
Advertisement & samples.	2,000
Maintenance of delivery van	2,000
Rent of warehouse.	1,200
printing & stationery	1,200
telephone charges : factory	800
office	1,200
Sales	2,72,500

# Statement of cost sheet

DATE    /    /    9

Particulars	Amt ₹	Amt ₹
opening stock of raw material	24,000	
Add - purchases of raw material	92,000	
Carriage Inward	2,300	
	1,18,300	
<u>Less</u> - closing stock of raw material	81,400	
material consumed	86,900	86,900
Add - Direct wages / productive	60,500	
Direct material	-	60,500
1. prime cost		1,47,400
Factory / works overhead -		
Drawings office salaries	3,200	
Rent, Rates, taxes & Insurance	4,200	
Dep. on plant & machinery	3,200	
Gas & water	800	
telephone charges	800	12,200
<u>Add</u> - opening stock of work-in-progress	-	-
<u>less</u> - closing stock of work-in-progress	-	-
factory / work cost		1,59,600

Q.2 prepare a cost sheet from the details given below.

Particulars	Amt '₹'
Inventories (Opening)	80,000
Finishing stock	1,40,000
Raw material	2,00,000
work in progress	17,400
office Appliances	4,60,500
* plant and machinery.	2,00,000
* Buildings.	3,20,000
Raw material purchased	16,000
Freight paid on Raw material purchased	4,800
purchase Return	7,68,000
Sales	14,000
Sales Return	1,60,000
Direct wages	1,60,000
Indirect wages	18,000
Factory Supervision	10,000
Repairs & upkeep - Factory	14,000
* Heat light & power	65,000
* Rates & taxes	6,300
Sunday Factory exps.	18,700
Sales Commission	33,600
Sales Travelling	11,000
Sales promotion	22,500
Distribution depa salaries & expenses	18,000
office salaries expenses	8,600
Income tax paid	5,400

Dividend paid	5,000
Inventories (closing)	
Finishing goods	1,15,000
Raw material	1,80,000
work-in-progress	1,92,000
Accrued exps.	
direct labour	8,000
indirect labour	1,200

\* Depreciation to be provided as under.  
 office Appliances @ 5% plant & machinery @ 10% & buildings @ 4%. Distribute the following costs.

- a) Heat, Light & power to factory, office & distribution in the ratio 8:1:1.
- b) Rates & taxes two-third to factory & one-third to office  $\frac{2}{3}$  factory  $\frac{1}{3}$  office.
- c) depreciation on Building to factory, office & selling in the Ratio. 8:1:1

Statement of cost sheet.

Particulars	Amt ₹	Amt ₹
Opening stock of Raw material	1,40,000	
Add - purchase of Raw material		
3,20,000		
less Return - 4,800	3,15,200	
Freight	16,000	4,71,200
<u>less - closing stock of Raw material</u>		1,80,000
material consumed		2,91,200
Add - Direct wages	1,60,000	
Direct labour	8,000	1,68,000
1 prime cost		4,59,200
works / factory / overhead.		
Indirect wages	18,000	
Factory supervision	10,000	
Repairs & upkeep	14,000	
Heat, light, power ( $65,000 \times \frac{8}{10}$ )	52,000	
Rates & taxes ( $6,300 \times \frac{2}{3}$ )	4,200	
Sundry factory exps.	18,700	
Indirect labour.	1,200	
plant & machinery ( $4,60,500 \times \frac{10}{100}$ )	460.50	
Dep. on Building ( $8,000 \times \frac{8}{10}$ )	6,400	1,70,550
<u>Add - opening stock work-in-progress</u>		6,29,750
		2,00,000
		8,29,750

Net profit (7,541,000 - 71,4020)		39,980
Sales	7,68,000	
less - (-) sales Return	14,000	7,54,000

$\frac{10}{10}$  (5A)